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PG&E Application CPCN for Oakley Generation Transmission Line

ORA Position: The CPUC should deny PG&E's CPCN Application for the Contra Costa-Oakley Generation Station 230kV Transmission Line ("Oakley Gen-Tie") because the CPUC has appropriately denied the Oakley Gen-Tie, and PG&E has not met conditions to show a need for it.

Background

Sep 2009: PG&E seeks approval of "Oakley Project," consisting of Generating Station and Gen-Tie. (A.09-09-021)

- **Jul 2010: CPUC denies the Oakley Project and requires any future PG&E resubmission to meet certain conditions to demonstrate need.** (D.10-07-045 is the current guiding decision)
 - ▶ PG&E's Oakley Project, which the CPUC denied, included a new 2.4 mile 230 kV generation tie line along an existing line corridor.

Aug 2010: PG&E files Petition for Modification seeking approval of Oakley Project.

- **Dec 2010:** CPUC grants Petition to Modify and approves Oakley Project. (D.10-12-050)
- **Mar 2012:** Court of Appeal reverses CPUC decision stating that PG&E failed to meet conditions of CPUC's Jul 2010 decision.

Mar 2012: PG&E resubmits Application for Oakley Project. (A.12-03-026)

- **Dec 2012:** CPUC Approves Oakley Project. (D.12-12-035)
- **Feb 2014:** Court of Appeal again reverses CPUC decision based on the CPUC's use of a CAISO letter to determine need, which was not in the proceeding record.

Oct 2014: PG&E exercised its right to terminate the Amended Purchase and Sale Agreement.

Procedural History

Sep 2014: PG&E amended its Large Generator Interconnection Agreement (LGIA) with Contra Costa Generating Station (CCGS) and the CAISO to construct the Oakley generation tie line (Gen-Tie).

Jun 2015: PG&E submitted an Application for a CPCN to construct the Oakley Gen-Tie asserting that it entered into an LGIA with CAISO and CCGS, which obligates PG&E to interconnect with the Oakley Generating Station. (A.15-06-015)

Sep 2016: ALJ Ruling entered a letter from the County of Contra Costa into evidentiary record and directed parties to provide any updates and the current status of negotiations between PG&E and Delta Diablo.

The Oakley Gen-Tie Does Not Meet CPUC Requirements for Approval

- The Oakley Generating Station has not been approved, and the Oakley Gen-Tie would be a “line to nowhere.”
- PG&E has not met the conditions addressing need as required by the CPUC’s Jul 2010 decision, which is still in effect. (D.10-07-045)
- PG&E’s LGIA for the Gen-Tie is subject to CPUC approval and, therefore, PG&E has no contractual obligation.
- The Court of Appeal’s decision bars the CPUC from approving any part of the Oakley Project (Gen-Tie or Generation), until the conditions of the CPUC’s decision (D.10-07-045) are met. (*TURN v. PUC* (2014), 223 Cal, App.4th 945, 949)
- Construction of the Oakley Generating Station is currently suspended.